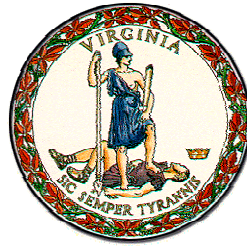


# Operational Plan to Address IT Governance



Lem Stewart (CIO)  
Peggy Feldmann (CAO)

April 17th, 2008



# BACKGROUND

- APA IT Governance report asked "Who has control?"
  - VITA - - infrastructure
  - CIO & ITIB - - new systems development
  - Agencies - - maintenance and operations of production systems
- APA reported problem areas:
  - CIO's responsibilities broader than just VITA, e.g.
    - Project Management oversight
    - Standard setting
    - Budget resource recommendations
  - Agencies
    - Do not understand the Commonwealth's Business Model
    - Plan for maintenance differently and at varying levels
    - Not working jointly to implement an enterprise system
    - Try to avoid IT governance by using M&O budgets
  - The lack of data standards is resulting in disparate systems
  - New system development projects lack a sound return on investment

Note: ITIM Customer Council voiced concerns

# JANUARY 17<sup>th</sup>, 2008 ITIB



- Governor Timothy M. Kaine named Ms. Feldmann as the Chief Applications Officer and asked the ITIB to help address some of the findings from the APA report
- The ITIB passed a motion "*that...*"
  - *the CIO and CAO work together,*
  - *look at IT governance*
  - *report back in April*
  - *on an approach to IT governance,*
  - *how much it will cost, etc.,*
  - *respond to the issues raised in the APA report....*
  - *so that the Board has the opportunity to make recommendations to the Administration and VITA on how to proceed."*



# PROBLEM

*The Commonwealth lacks an enterprise governance and investment management program over total IT spend.*

Knowing this, how do we ensure that all Commonwealth IT investments-- new projects, infrastructure services, and operations/maintenance:

- Meet both agency and enterprise strategic business objectives in a cost-effective manner;
- Are in line with other business investments and contribute to improved portfolio management;
- Are effectively managed to deliver the intended business results; and
- Provide the business value we expect?

Ensure progress is real and visible

# **“TO-BE” VISION**

## **(Align IT with Business)**



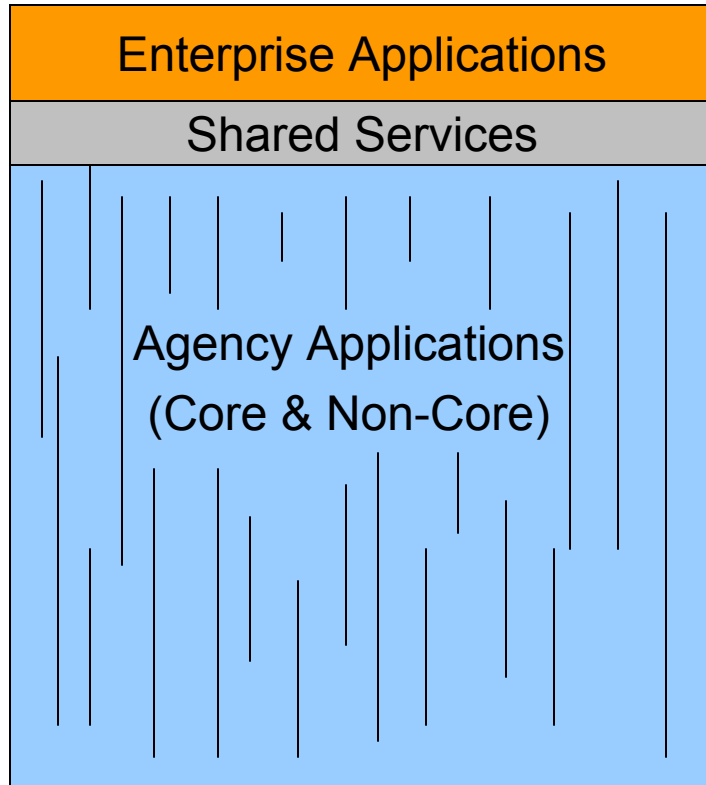
To bring the independently managed infrastructure, new IT and maintenance and operations programs into a single, high quality, Commonwealth business-driven IT investment management program



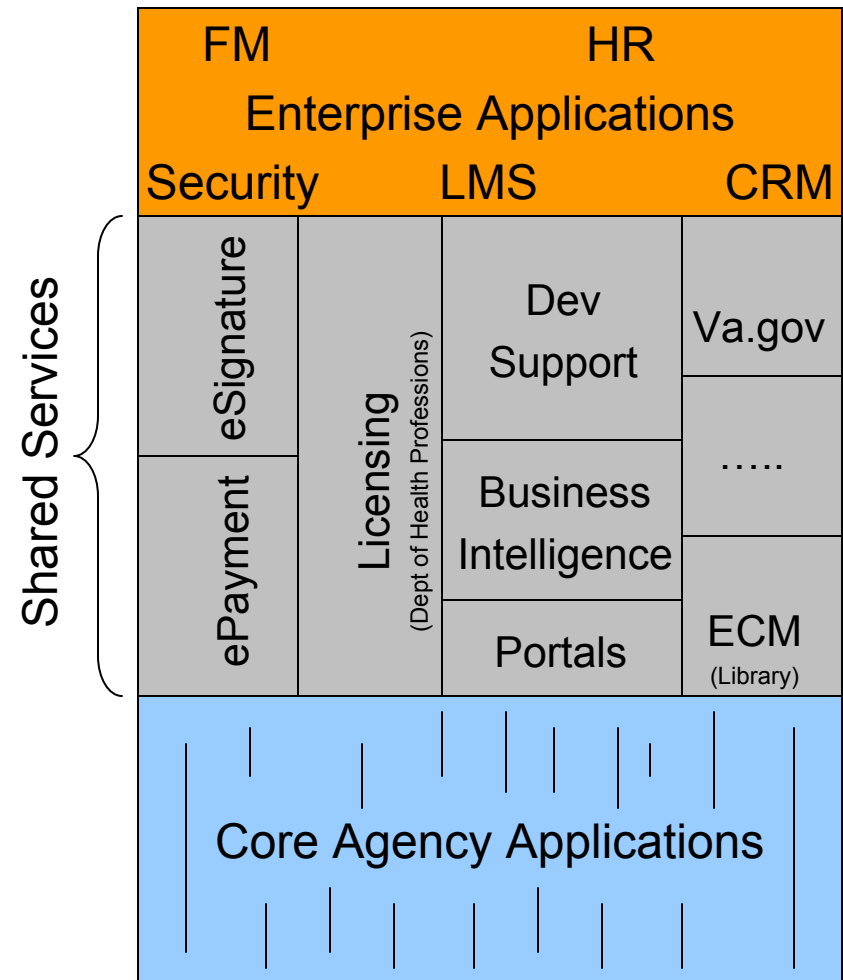
# WHERE IS THERE VALUE IN IMPLEMENTING THE VISION?



“As-Is”

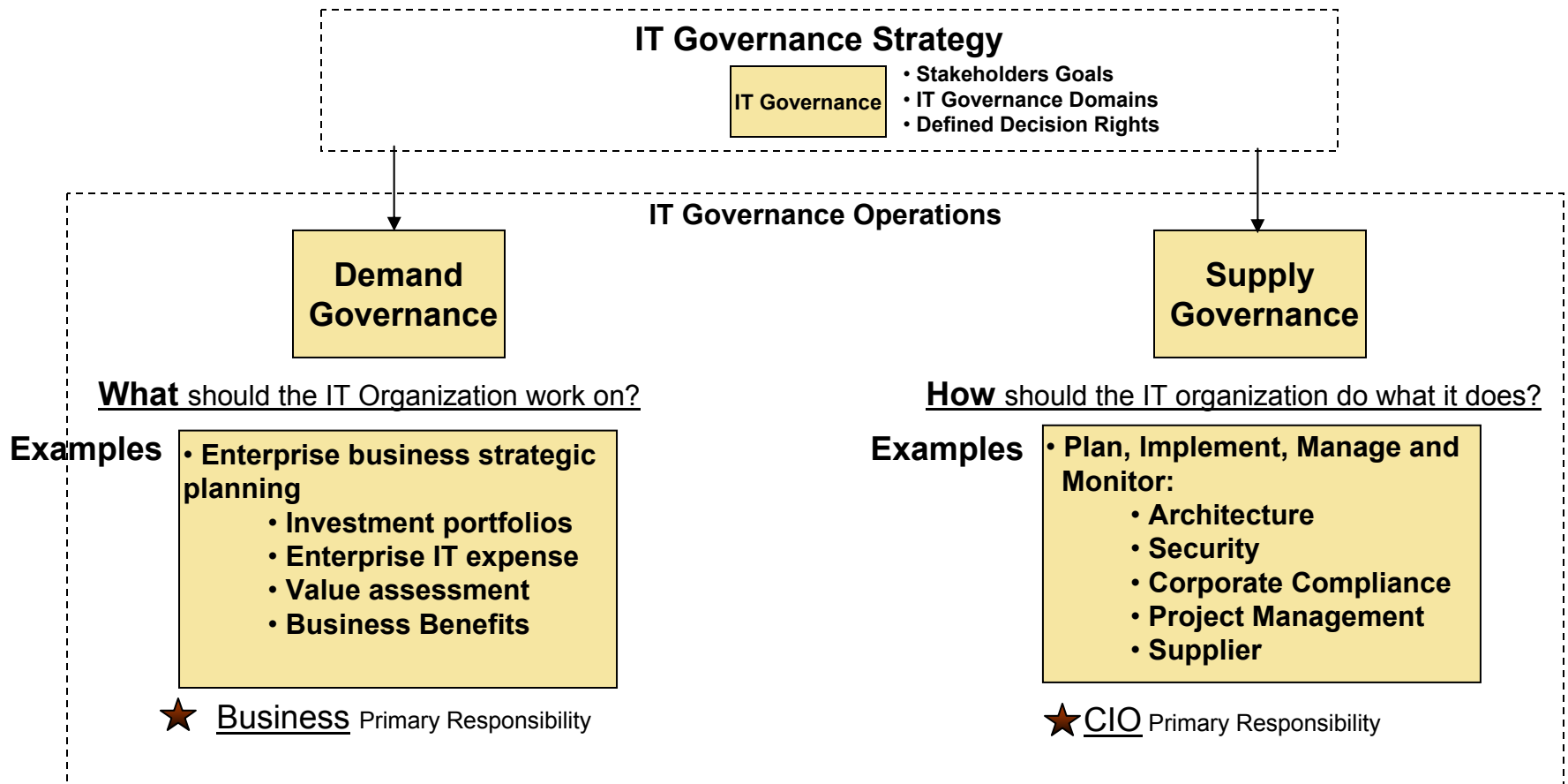


“To-Be”



# GARTNER DEMAND/SUPPLY MODEL

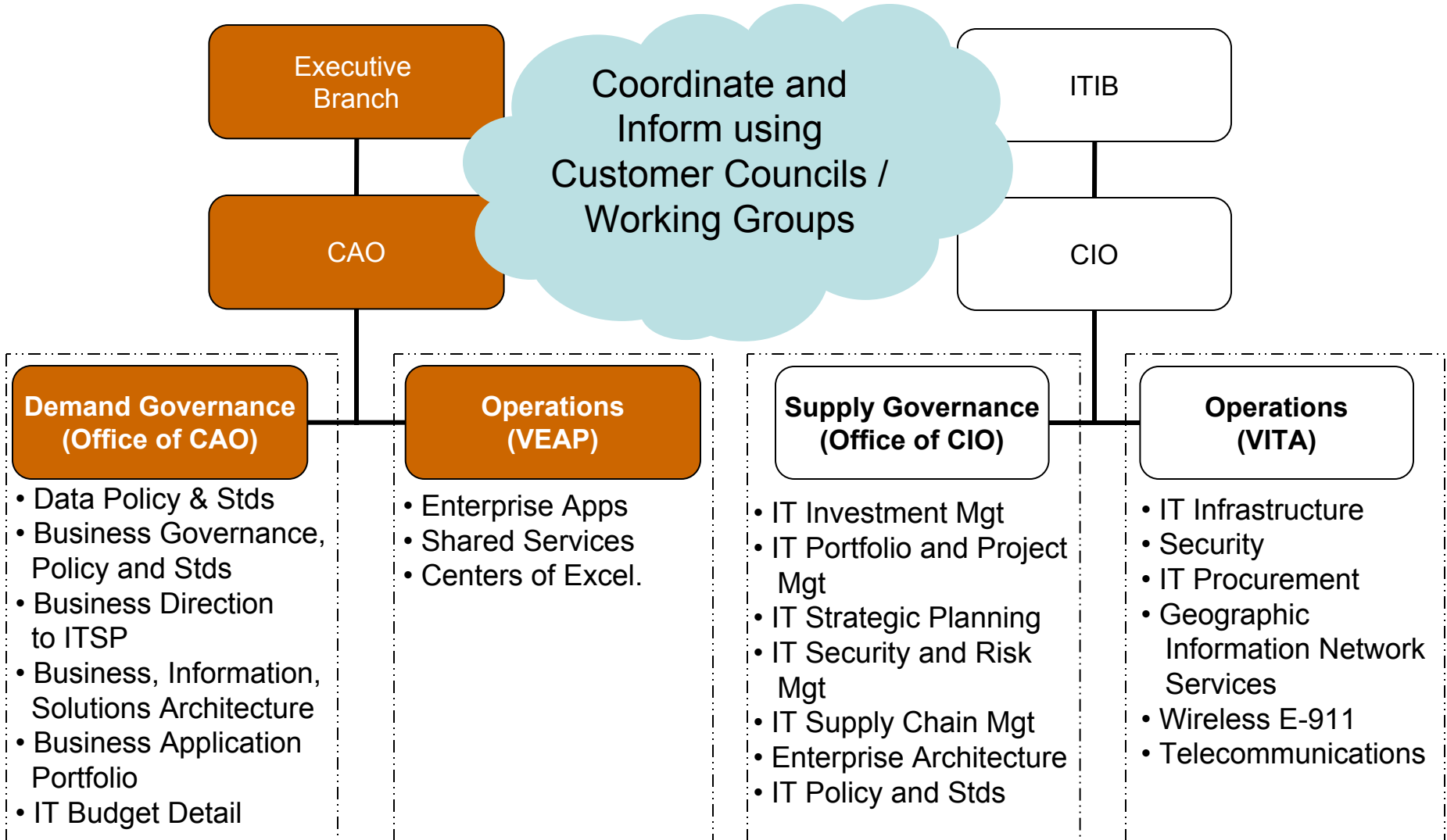
(A Framework to Align CAO/CIO Roles & Responsibilities)



\* Source Gartner, "Defining IT Governance: The Gartner IT Governance Demand/Supply Model", 16 October 2006, ID Number: G00140091



# “TO BE” GOVERNANCE





# COURSE OF ACTION (OpPlan)



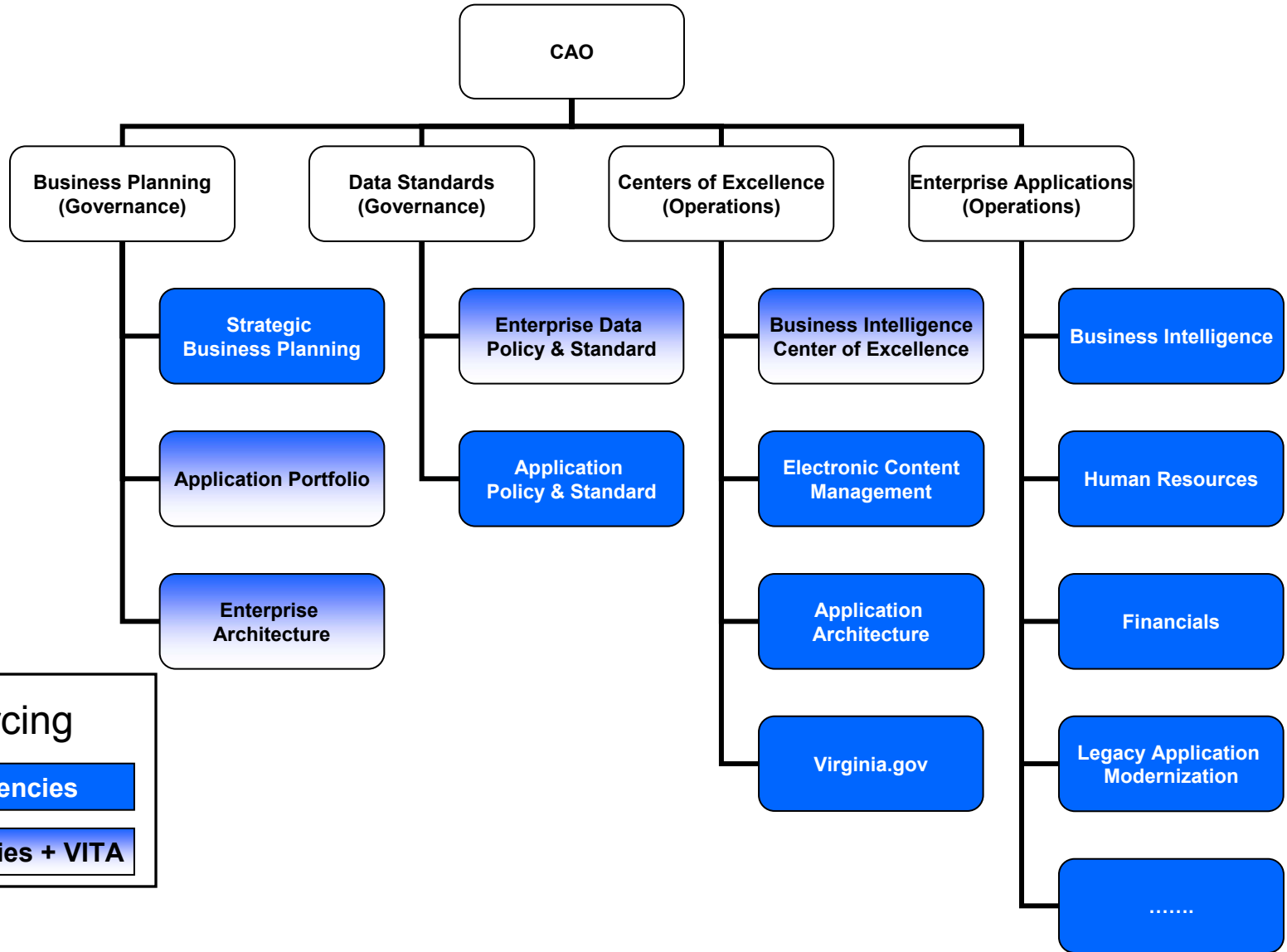
- **Phase I: Transitional (Apr '08 – Jun '09)**
  - **Focus initially on Commonwealth...**
    - Enterprise business strategy planning (6-9 months)
      - “Demand Governance” policy with supporting standards and practices
    - Portfolio (4-15 months)
      - Inventory of production system investments
      - Maintenance and operations IT spending
      - “AS-IS” Enterprise Business, Information, and Solutions Architectures
    - Standards (6-8 months and ongoing)
      - Enterprise data policy and standards
      - Enterprise opportunities
      - IT support to small and medium-sized agencies
  - Align responsibilities between the CIO, CAO and agencies by...
    - Leveraging existing councils and committees
    - Leveraging existing IT personnel resources (CAO, CIO, Agencies)
    - Identifying and exploiting available tools
- **Phase II: “To-Be” ( Jul '09 and beyond)**
  - To be determined during transition phase

# RECOMMENDED CIO-CAO ROLE SHARING (OpPlan)



ROLE	CIO	CAO
<i>Oversight and management of Commonwealth IT strategic <b>planning</b></i>	✓	
Oversight and management of strategic business application planning [APA Issue]		✓
<i>Oversight and management of Commonwealth IT <b>portfolio</b></i>	✓	
Oversight and management of executive branch business application portfolio [APA Issue]		✓
Visibility of agency IT budget detail [APA Issue]		✓
Enterprise Architecture (Business, Information, Solutions)		✓
<i>Oversight and management of Commonwealth IT <b>standards</b></i>	✓	
Data Standards [APA Issue]		✓
Oversight and management of Enterprise Applications		✓
Shared Services [APA Issue]		✓

# CAO TRANSITIONAL ORGANIZATION (OpPlan)



# ESTIMATED TRANSITIONAL RESOURCES

## (OpPlan)



<b>Milestones (Phase I to be completed 30 Jun 2009)</b>	<b>CIO FTE</b>	<b>CAO FTE</b>	<b>Agency FTE</b>	<b>Total FTE</b>
Oversight and management of Commonwealth IT strategic planning				
Oversight and management of strategic business application planning [APA Issue]		1	4-8	<b>5-9</b>
Oversight and management of Commonwealth IT portfolio				
Oversight and management of executive branch business application portfolio [APA Issue]	2		1-2	<b>3-4</b>
Visibility of agency IT budget detail [APA Issue]	1		1	<b>2</b>
Enterprise Architecture (Business, Information, Solutions)	3		5-6	<b>8-9</b>
Oversight and management of Commonwealth standards				
Data Standards [APA Issue]	2		2-4	<b>4-6</b>
Oversight and management of Enterprise Applications		2		<b>2</b>
Shared Services [APA Issue] (Framework for providing shared services & resources)	1	2		<b>3</b>
<u>Total</u>	<b>9</b>	<b>5</b>	<b>13-21</b>	<b>27-35</b>
Leveraged transitional FTE Cost				\$2.7M- \$4.0M

NOTE: FTE includes dedicated and matrixed staff to implement OpPlan; does not include individual agency participation.

# RECOMMENDATIONS



- Transitional
  - ITIB Support leveraging of CIO resources
  - ITIB seek Governor's endorsement to leverage agency resources
- "To-Be" Vision
  - ITIB, Governor and APA support legislation and general funding for governance and the offices of CIO and CAO in the next budget cycle

# DISCUSSION



# RECOMMENDED MOTION

## CIO / CAO Operational Plan



*“I move that the Board approve the CIO-CAO Operational Plan presented by the Chief Information Officer and Chief Applications Officer, including the recommendation that the ITIB support the CIO’s use of VITA personnel to implement the CIO-CAO OpPlan and the recommendation that the Chair send the proposed letter on behalf of the Board encouraging the Governor to endorse use of personnel from other agencies to implement the CIO-CAO OpPlan, provided that all requirements in Item 63 of House Bill 30 are fulfilled.”*

# Required / Desired Attributes



- **Strategy**
  - Desired outcomes are business driven and consistent with the philosophy and direction of the Council on Virginia's Future
- **Resources**
  - Employs an incentive and reward system, and is no worse than cost neutral
- **Change Management**
  - Organized/themed as an exercise in strategic change management, to include all stakeholders
- **Schedule**
  - A multi-year effort, using a maturity model as a frame of reference for setting milestones, with at least one value add milestone per year
- **Organization**
  - Provides a framework for aligning IT with the overall business strategy, following a federated model for organization, governance, staffing and accountability
- **Results**
  - Addresses issues or recommendations identified in the APA report on IT Governance





# ASSUMPTIONS

- Sufficient resources will be reallocated among stakeholders for the successful accomplishment of the operational plan
- Upfront capital can be obtained for long term cost saving initiatives
- A gain-sharing mechanism is desirable
- Reporting of auditable data for all IT budgeting and spending will become mandatory
- Clearly defined Commonwealth strategic "business" goals and priorities against which to evaluate investment opportunities will be established
- Business ownership for the enterprise business and information architectures will be established
- Stakeholders will support the changes required to meet the vision
- DPB and DOA will proactively implement budgeting and accounting changes
- Required Legislative changes will be implemented



# BENEFITS

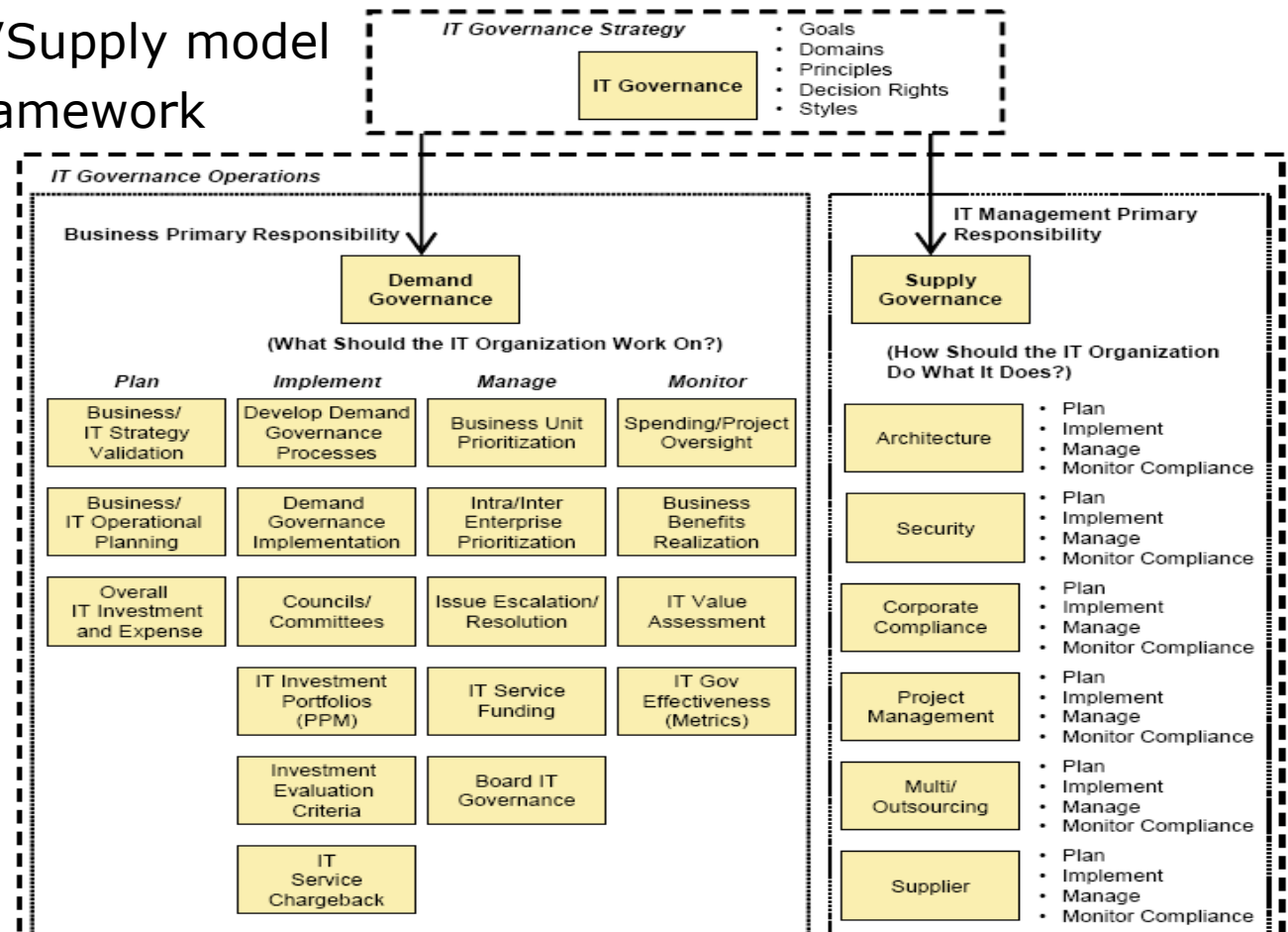
- Better alignment of IT with the Commonwealth's business needs
  - Right technology at the right place and right time
- Improved maintenance and operations planning
  - Increased ROI
  - Better transitioning from legacy applications and technology
  - Reduced technical environment complexity
- Enhanced enterprise application efforts
  - Less duplication of work efforts
  - Increased agency emphasis on core responsibilities
  - Enhanced enterprise level management, analysis and reporting capabilities
- Establishment of data standards
  - Reduced cost for integration efforts
  - Improved access to and sharing of data
- Increased visibility of IT spending in the Commonwealth
  - Reduced cost through consolidation
  - Improved investment management decision making
  - Improved transparency into ROI
- A comprehensive IT governance model for managing all the IT resources in the Commonwealth
  - Better alignment between M&O, New IT and Infra

**Addresses most APA recommendations**



# GOVERNANCE MODEL

- Enhance our current IT governance by following industry best practices
- Gartner Demand/Supply model can serve as a framework



\* Source Gartner, "Defining IT Governance: The Gartner IT Governance Demand/Supply Model",  
16 October 2006,  
ID Number: G00140091

# VITA NEW WORK AND IMPACTED ACTIVITIES



- **New Work (April '08 – June '09)**

- Agency IT Investment Management (ITIM) maturity assessment
- Commonwealth application portfolio (to include M&O) governance model with associated processes
- Developing appropriate business and application/solutions enterprise architecture interfaces to the Commonwealth Technology Portfolio (CTP) – ProSight system
- Developing Enterprise Architecture data policy and standards
- Developing a comprehensive enterprise architecture repository
- Standing up a framework for providing shared services and resources
- Establishing a Business Intelligence Center of Excellence

- **Impacted Work (April '08 – June '09)**

- Enhancements and system changes to the Commonwealth Technology Portfolio (CTP) – ProSight system
- Expanding the use of the Process Automation Manager (PAM) outside of VITA
- Enhancements to Peoplesoft Financials and Performance Budgeting
- Enhancements and support to the VITA dashboard and data warehouse (including any new SWaM reporting requirements)
- Data design and development for new internal VITA systems
- Scope of research and updates for Enterprise Architecture technical domains

Note: Agency impacted work unknown at this time

# STAKEHOLDER ENGAGEMENTS



- CoS, Secretaries of Finance and Technology
- APA
- ITIM Customer Council
- Top 20 IT Spend Agencies